Company Name: BigBloc Construction Ltd.

Quarter under review: Q4-FY26

BigBloc Construction Ltd – Q4-FY26/FY26 Concall Highlights:

BIGBLOC Construction Ltd (Consolidated)								
INR In Mn	**Q4-FY26**	**Q4-FY25**	**Y-o-Y**	**Q3-FY26**	**Q-o-Q**	**FY26**	**FY25**	**Y-o-Y**
Operational Income	869	646	34.5%	728	19.4%	2834	2246	26.2%
EBITDA	64	57	10.5%	81	21.0%	176	292	-39.7%
EBITDA M (%)	7.36%	8.82%	-146 bps	11.13%	-377 bps	6.21%	13.00%	-679 bps
PAT	-8	-3	NA	4	NA	-85	32	NA
PAT M (%)	-0.92%	-0.46%	NA	0.55%	-147 bps	-3.00%	1.42%	NA
Diluted EPS	0.06	0.07	-14.3%	0.13	-53.8%	-0.12	0.68	NA

Operational Highlights:

- Achieved strong volume-led growth driven by increasing adoption of AAC products across the construction industry.
- Reported Q4 FY26 sales volume growth of 40% YoY to 245,870 cubic meters and full-year FY26 sales volume growth of 37% YoY to 826,904 cubic meters.
- Improved overall capacity utilization to around 78% in Q4 FY26 from 53% in Q1 FY26, with average FY26 utilization at 65%.
- Reported capacity utilization of approximately 89% at BigBloc Building Elements and around 40% at Siam Cement BigBloc Construction Technologies.
- Expected 10–14% increase in capacity utilization in FY27.
- Commenced commercial production at the construction chemicals plant at the Umbergaon facility through subsidiary BigBloc Building Elements Private Limited.
- Installed total rooftop solar capacity of 3.3 MW across the company and subsidiaries, with around 45% of total power requirements met through renewable energy sources during the quarter.
- Targeted 10-20% volume growth in FY27, primarily driven by Western India for AAC blocks and pan-India growth for AAC panels.
- Prioritized improving capacity utilization to 82-85% before focusing on margin improvement initiatives.
- Accumulated approximately 150,000 tons of carbon credits, with plans to monetize them after issuance.
- Estimated AAC panel business revenue potential of INR 100-125 crores at 80-85% utilization.
- Estimated construction chemicals business revenue potential of INR 20-30 crores from the newly installed plant.
- Expanded penetration into industrial applications including solar factories, chemical plants, data centers, and manufacturing facilities.
- Planned future capacity additions through expansion at the Siam joint venture unit and newly acquired land at Madhya Pradesh.
- Maintained diversified customer base with no single customer contributing more than 3% of sales.
- Secured orders for upcoming Bullet Train station projects, validating growing acceptance of AAC panels in large-scale infrastructure developments.

Key Questions & Answers discussed during the Concall:

- **What led to the decline in EBITDA margins during FY26?** The decline in EBITDA margins was primarily driven by pricing pressure in the AAC blocks market, which accounted for around 5-6% of the contraction. Additionally, rising manufacturing and operating costs contributed another 2% impact. Higher raw material and fuel costs, coupled with the inability to immediately pass on these increases to customers, weighed on profitability during the year.

- **Is the current pressure on margins due to industry-wide challenges or company-specific issues?** The challenges are largely industry-wide as raw material prices have increased by 5-15% over the last few quarters due to geopolitical developments, while severe labour shortages across Western India affected both manufacturing operations and construction activity. These factors impacted demand and execution across the sector.

- **What volume growth are we targeting for FY27?** We are targeting volume growth of around 10-20% for FY27. The growth will be supported by increasing market penetration, rising adoption of AAC products, and improved traction across both the AAC block and AAC panel businesses.

- **What is the earnings potential of the AAC panels and construction chemicals businesses?** AAC panels offer significantly higher profitability than the traditional AAC blocks business, with EBITDA margins potentially ranging between 30-45%. Construction chemicals can generate EBITDA margins of around 25-30%. At optimal utilization, AAC panels could contribute INR 100-125 crore of revenue, while construction chemicals could generate INR 20-30 crore annually.

- **What are the company's key operational priorities over the next 12 months?** Our immediate priority remains improving overall capacity utilization towards optimal levels of 82-85%. Once utilization stabilizes, we will focus more aggressively on improving realizations, profitability, and operational efficiencies across all product categories.

- **How do we see pricing pressure evolving in FY27?** We believe pricing pressure has started easing gradually. Over the last quarter, we managed to pass on part of the increase in raw material costs to customers, and we expect further improvement in realizations over the next two to three quarters as industry demand strengthens.

- **How is the company positioning itself against competition from Mivan technology and other walling solutions?** The rising steel and aluminium prices are increasing the cost of alternative construction technologies such as Mivan. As a result, AAC blocks and AAC panels remain cost-effective solutions, particularly given their lower weight, ease of installation, and lower labour requirements. We see this as a favorable trend for AAC adoption.

- **When does management expect the company to return to profitability?** The core AAC blocks business continues to remain profitable. The recent losses were largely due to investments and scale-up costs associated with newer businesses such as AAC panels. As panel utilization improves and higher-margin products gain traction, we expect to return to profitability during FY27.

- **What is the size of the opportunity from bullet train projects?** We have already secured AAC panel orders for certain bullet train station projects. We disclosed that orders received so far amount to approximately 40,000-50,000 square feet, translating into an order value of around INR 8-9 crore, while discussions continue for additional stations.

- **How is AAC block adoption evolving in India?** We believe AAC block penetration in India is still at an early stage, currently accounting for only around 10% of the walling materials market. However, adoption continues to improve rapidly as builders increasingly shift away from red bricks due to labour efficiency, ease of installation, and better construction economics.

- **How much demand improvement are we seeing in the current quarter?** Despite temporary labour-related disruptions, we have already seen demand improve by around 15-20% compared to Q1 FY26. We believe demand momentum should strengthen further as labour availability normalizes.

- **How are we managing raw material cost increases?** We are focusing on a combination of gradual price pass-throughs, tighter cost controls, operational efficiencies, and improved utilization levels to manage raw material cost inflation while protecting margins over the medium term.

- **How are leading builders responding to AAC blocks?** We continue to see strong adoption among leading real estate developers and contractors, especially across Western India. The trend is now increasingly visible across pan-India markets as more builders shift toward sustainable and efficient construction materials.

- **What is the revenue potential from the existing installed capacities?** We believe our current installed capacity of approximately 1.3 million cubic meters across AAC blocks and AAC panels can support annual revenues of around INR 350–400 crore at optimal utilization levels and prevailing realizations.

- **What is the status of the company's carbon credits?** We currently hold around 150,000 tons of carbon credits. The issuance process is expected to take a few more months, after which we will evaluate monetization opportunities depending on prevailing market prices.